

MINUTES OF REGULAR MEETING OF THE EXECUTIVE COMMITTEE OF
PHILIPPINE SUGAR ASSOCIATION, HELD ON TUESDAY, AUGUST 11,
1953.

PRESENT:

Mr. Manuel Elizalde
Mr. Ernesto Escaler
Mr. I. Planas
Mr. C. L. Noriega, alternate for Mr. J. Amado Araneta
Mr. G. G. Richardson, alternate for Mr. J. J. Brickley
Mr. Juan J. Gaspar, alternate for Mr. Antonio Roxas
Mr. S. Jamieson

ABSENT:

Mr. G. H. Wilkinson

Mr. Manuel Elizalde, President, called the meeting to order and thereafter presided. Mr. S. Jamieson, Secretary-Treasurer, kept the minutes.

MINUTES OF PREVIOUS MEETING

The minutes of the regular meeting held on July 7, 1953, having been previously signed and approved by all the Members of the Committee present at that meeting, on motion duly made and seconded, were ordered filed.

SECRETARY-TREASURER'S REPORT

The Secretary-Treasurer submitted his report for the period July 7 to August 11, 1953, showing total expenditures in the amount of P6,954.57 and cash on hand and in the PNB of P37,903.68, with the explanation that except for the item of four (4) steel bookshelves costing P300.00, the items were routine and customary expenditures. On motion duly made and seconded, the Secretary-Treasurer's report was approved and ordered filed.

INTERNATIONAL SUGAR CONFERENCE

Mr. Elizalde summarized what had taken place since the last meeting of the Committee regarding the Philippine delegation's efforts to secure a quota in the world market at the Conference now being held in London. In the first allocation of quotas made by the Steering Committee the Philippines were given only 10,000 tons instead of the minimum of 50,000 tons requested. At a meeting held in the Sugar Quota Administrator's office on August 5 and attended by representatives of the Federation, the Association, and the Philippine National Bank, it was unanimously decided to reject this quota of 10,000 tons, and, upon the insistence of the representatives of the

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Federation, to revert to the original request for a minimum of 100,000 tons, and the delegation was so instructed by cable dispatched by the Department of Foreign Affairs to Minister Romero in London. The delegation replied by cable that the Steering Committee considered our request as impracticable, and that they themselves regarded it as unattainable and therefore urged re-consideration. At a meeting held in the Sugar Quota Administrator's office on August 10 and attended by the same representatives of the various groups above-mentioned, for further consideration of the matter in the light of the latest advices received from the delegation, it was decided to recommend to the Department of Foreign Affairs that the delegation be re-instructed through Minister Romero as follows: A minimum of 50,000 tons would be acceptable on the basis of 5,000,000 tons set by the Steering Committee as the estimated total requirement of the free world market, with a proviso that in any upward revision of the free world requirement of 5,000,000 tons the Philippines would receive 10% of the increase. The Department cabled accordingly, and we were now awaiting advices from the delegation as to the Steering Committee's reaction to this request. Mr. Elizalde said that Mr. Gordon had kept the Association fully informed of the situation by cables and letters.

PHILIPPINE TRADE ACT OF 1946

Mr. Noriega inquired whether, in addition to the recommendations made in behalf of the Philippine sugar industry in the Association's memorandum to the 15-man Presidential Committee created to study revisions of the Philippine Trade Act, consideration might not be given to some concession being requested in respect of the duty collected by the U. S. Government on Cuban sugar utilized to fill the Philippine quota during the war years when the Philippines was unable to fill any part of its quota owing to the Japanese occupation. The duty collected would have been approximately \$9,500,000 a year during that period. Mr. Elizalde said he would enquire into this matter and requested the Secretary-Treasurer to prepare a statement showing the annual deficiency in the Philippine quota since 1942 to date.

S. BILL 464 - AN ACT TO AMEND SECTIONS EIGHT AND NINE OF ACT NUMBERED FORTY-ONE HUNDRED AND SIXTY-SIX AS AMENDED BY COMMONWEALTH ACTS NUMBERED SEVENTY-SEVEN AND THREE HUNDRED AND TWENTY THREE

On page 2 of the Minutes of the Executive Committee meeting held on July 7, 1953, reference is made to the presidential veto of this bill which was one of several to which the President "withheld executive approval" and of which, while acted upon within the constitutional

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period of 30 days after Congress adjournment, Congress did not receive notification of veto until after the said constitutional period. This raised two questions in the minds of Congressmen, namely:

- (1) Does a bill, supposedly vetoed by the President, become a law if the Congress is notified of the presidential action only after the constitutional period of 30 days after Congress adjournment?
- (2) Does "veto" mean the same as "to withhold executive approval?"

The Association decided to submit these two questions to its attorneys for opinion, and late yesterday received their letter of August 10 expressing their opinion. Their opinion is very interesting, and the Secretary-Treasurer was instructed to circulate copies of their letter among the Central Members. Their answers to the two questions are briefly summarized as follows:

1. Since the bill was vetoed by the President on the last day of the 30 day limitation, it is believed that he was still within his powers when he acted. The fact that the notification of his veto came a day late of the 30 day period will not result in vitiating the act of the President.
2. They came to the conclusion that the mere fact that the President did express himself as withholding executive approval can create no other interpretation than that he wished to veto the bill.

Our attorneys state that they have information to the effect that their opinion is shared by the Legal Departments of the Senate and Malacañan.

EXCHANGE TAX

As requested at the last meeting opinion was requested from our attorneys regarding the feasibility of arguing in favor of exempting from the exchange tax cane cars for being agricultural equipment, and sugar centrals for all materials and spare parts imported by them for their operations on the ground that such sugar centrals are dollar-saving industries. Their opinion as expressed in their letter of July 16 follows:

"We have for study and opinion the contents of your letter of July 19, 1953 regarding the feasibility of arguing in favor of exempting from

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the 17% exchange tax cane cars for being agricultural equipment, and sugar centrals for all materials and spare parts imported by them for their operations, on the ground that such sugar centrals are dollar-saving industries.

"In the first instance, we beg to inform you that Republic Act 601 has been amended by the last Congress of the Philippines, a copy of which amendment we are herewith attaching. You will notice that the tax has been reduced from 17% to 15%; that 'materials for the manufacturing of tin containers used by the importer himself in the manufacture or preparation of local products for consignment or export abroad' have been exempted from the tax; and likewise 'payment of machinery and/or raw materials to be used by new and necessary industries as determined in accordance with Republic Act No. 35.'

"Your cane cars would fall under agricultural machinery; further, we could argue that your industry is a necessary one; but the proviso 'as determined in accordance with Republic Act No. 35' would disqualify your industry to an exemption, since said Republic Act No. 35 provides exemptions only for 'new and necessary industries for a period of four years from the organization of such industries.'

"In view of the present wording of the law, there would be no way of arguing in favor of exemption of either your cane cars or your sugar centrals from paying the 15% exchange tax. We can only suggest your working for the amendment of the law to the effect that since sugar centrals are highly dollar-saving industries and a strong source of the life-blood of the country, they should be exempted from the 15% exchange tax. The same reasons could be advanced in favor of exemption of cane cars."

The Secretary-Treasurer was requested to thank our attorneys for this opinion and to suggest that they confer on the matter with the Central Bank and, if necessary, the Monetary Board with a view to formulating and presenting a suitable amendment of the law that would, if enacted, provide the exemption desired.

1953-54 CROP ESTIMATE

The Secretary-Treasurer informed the Committee that, as arranged, a circular letter was sent to all Central Members for their latest estimate of the 1953-54 crop but

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that complete replies had not yet been received. Indications are that the crop estimate is likely to be about 75,000 tons in excess of the combined U. S. and domestic quotas. He expected that complete replies would be received within a few days.

VICTORIAS MILLING CO., INC.

A letter from Victorias Milling Co., Inc. dated August 5, requesting reinstatement of their representative on the Executive Committee, was considered and the Secretary-Treasurer was requested to reply as follows:

When the members of the Executive Committee were elected by the Board of Trustees at the last Annual meeting, one of those elected was Mr. O. H. Dersheimer, who is a United States citizen. He attended the meetings of the Executive Committee until his departure for the United States on April 27, 1953, at which time he resigned and the vacancy was filled by the appointment of his successor, Mr. J. J. Brickley, for the unexpired term. The members of the Executive Committee would, for obvious reasons, welcome a U. S. citizen in the Committee. However, as the new Committee will be appointed at the annual meeting of the Board of Trustees to be held on November 30, 1953, it was the sense of the meeting that no change in its present membership should be made at this time, and that Victorias Milling Co., Inc.'s letter should be submitted to the Board of Trustees when the election of the new Committee takes place in November.

He was further requested to mention that an appointment to membership of the Committee is not locked upon as a personal appointment, as consideration is also given to the particular interests that will be represented by the appointee, and that it is endeavored to make membership of the Executive Committee as representative as possible of the Association's cosmopolitan interests.

SUGAR RESEARCH INSTITUTE

A letter from Mr. G. S. Gordon dated 29 July, 1953, regarding a conversation had by him in London with Mr. Frank A. Kemp, President, Great Western Sugar Company, who is an industry adviser to the U. S. delegation at the International Sugar Conference, about Philippine membership in the Sugar Research Institute, was considered. The Committee agreed with the suggestion made in Mr. Gordon's letter that if membership were to be taken the Philippine Sugar Institute would be the proper Philippine entity to do so, and since he had evidently discussed

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the matter with Mr. Salvador B. Oliveros, Acting General Manager of the Philippine Sugar Institute, who is also attending the International Sugar Conference in London, it was arranged that Mr. Elizalde would discuss the matter with the Board of Directors of the Philippine Sugar Institute on Mr. Oliveros' return to the Philippines.

RESEARCH ASSOCIATES, INC., HONOLULU

The outline submitted by Mr. Edward C. Gallas, Manager of Research Associates, Inc., Honolulu, covering technical services which might be furnished the sugar industry here for a classification survey, was discussed. It was felt that the cost of the proposed survey would be too great for the Association to undertake and that, in any case, the subject is one which properly comes within the jurisdiction of the Philippine Sugar Institute, to whose attention it will be brought.

ALCOHOL FOR MOTIVE POWER

Binalbagan-Isabela Sugar Co., Inc. brought to the attention of the Association a recent ruling by the Collector of Internal Revenue increasing the quantity of gasoline required for denaturing alcohol from 5 to 20 liters of commercial gasoline, and requested the assistance of the Association in having the original formula reinstated. The Bureau of Internal Revenue explained that the increase in the quantity of gasoline required as a denaturant was ordered in an effort to curb the illegal conversion of fuel alcohol into alcohol for industrial purposes, such as the manufacture of paints and varnishes, since alcohol properly used for these purposes is subject to the 7% sales tax. The matter was discussed with the Supervisor of Distilleries there, and it is understood that the new formula will be withdrawn and the former one reinstated.

BLUE SUNDAY LAW (REPUBLIC ACT NO. 946)

The Secretary-Treasurer reported that letters had been received from several Central Members giving their reasons why work on Sundays is essential in sugar mill operations, and that an Association memorandum is now being prepared consolidating the comments made in these various letters for submission to the Wage Administration Service of the Department of Labor. It is believed that prospects are favorable for sugar mills being exempted from the general provisions of the Blue Sunday Law.

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CONVENTION OF SUGAR TECHNOLOGISTS

The request of the Philippine Sugar Institute in their letter of July 29 for the Association to sponsor a luncheon in honor of the delegates and representatives attending the Convention of Philippine Sugar Technologists on Friday, August 28, 1953, at a cost of approximately P1,000.00, was approved, and the Secretary-Treasurer was authorized to make the necessary arrangements.

MEMBERSHIP IN THE PHILIPPINE SUGAR
TECHNOLOGISTS ASSOCIATION

Mr. E. E. Ceballos, the Association's Factory Reports Technician, was authorized to apply for membership in the Division of Fabrication & By-Products of the Philippine Sugar Technologists Association, the membership fee of \$10.00 to be for account of the association.

There being no other business, on motion duly made and seconded, the meeting adjourned at 11:25 a. m.

(SGD.) S. JAMIESON
Secretary-Treasurer

APPROVED:

(SGD.) MANUEL ELIZALDE
President
Chairman of the meeting

(SGD.) ERNESTO ESCALER

(SGD.) I. PLANAS

(SGD.) C. L. NORIEGA

(SGD.) G. G. RICHARDSON

(SGD.) JUAN J. GASPAR